



To: House Environmental Matters Committee

From: Peter Kitzmiller, President  
Maryland Automobile Dealers Association

Re: House Bill 1556 – Delegate Stein

Position: Support

The Maryland Automobile Dealers Association represents 300 franchised New Car and Truck Dealerships and their 23,000 employees. We are in Support of House Bill 1556.

The briefing that we held before this Committee in January clearly showed that the 43% EV Sales Mandate starting in the Fall of 2026 is NOT achievable. In the Fall of 2026 (Model Year 2027) we would need to sell 118,000 additional EV's. The Manufacturers cannot build that many EV's (when at the same time they would have to supply California and the other Clean Car II states). Maryland is currently at 10.1% EV penetration and there is no reason to believe consumer's demand will get to 43% in fifteen months. Most importantly Maryland's infrastructure cannot accommodate 118,000 new EV's.

The regulatory "flexibility" through credits will clearly not allow manufacturers to reach the 43% mandate. The manufacturers have clearly indicated that they will comply with the program but, they will not be buying credits from competitors like TESLA (**sufficient credits do not exist**). The only option is for the manufacturer to ship significantly less inventory to Maryland dealers (specific example is attached to our testimony). Inventory reductions will not be survivable for some Maryland Dealerships and we will lose sales to our Border States. This inventory reduction/cross border sales issue is NOT theoretical – it is the only way manufacturers can be in compliance.

Pausing the start of Clean Cars II **will not** have a negative impact on Maryland EV sales going forward. The manufacturers (over \$100 billion) and Maryland dealers (over \$100 million to date) have invested too much to stop now. EV's are a permanent and growing part of vehicle sales going forward. We now have over 80 EV models to sell (full size pickups down to sedans with ranges exceeding 300 miles). Our customers need to be convinced that the Maryland electric infrastructure can support their decision to purchase an EV. Consumers will not purchase an EV unless they can charge it at home. Fifty percent of our customers live in multi-family housing or are renters. We need to address how to charge their vehicles.

**We would ask the Committee for a favorable report on House Bill 1556.**



## I INTRODUCTION

- (a) Represent 300 franchised New Car and Truck dealers
- (b) Dealers directly employ 23,000 people

## II Associations' Position on EV's

- (a) Assertion that dealers do not want to sell EV's is **Incorrect**  
-Maryland dealers will spend over \$100 Million on EV infrastructure (chargers/equipment/training) in 2023/2024
- (b) There is no going back for Manufacturers and Dealers - too much money Invested – we will be selling EV's
- (c) The Association is not asking Maryland to get out of Clean Cars II however, there are a number of issues that if not addressed will cause significant harm to Maryland dealers, our employees and customers – and will not result in more EV Sales

## III Model Year 2027 Sales Mandate

- (a) 43% of vehicles shipped by each Manufacturer to Maryland dealers must be EV's
- (b) If 2027 is a normal sales year we will need to sell 118,000 (MD Department of Environment estimate) EV's in Model year 2027 (currently 90,000 EV's registered in Maryland after 10 years of sales)
- (c) Questions Can Manufacturers produce 118,000 EV's for Maryland - **NO**  
  
Is there demand for 118,000 EV's - **NO**

Can Maryland infrastructure charge/accommodate this number of EV's by 2027 - **NO**

#### IV Cross Border Sales Issue - Unintended Consequence

##### (a) Overview

- This is a critical issue for Maryland dealers – NO Maryland dealer is more than 50 miles from a border
- (b) Manufacturers have limited options to meet the 43% Sales Mandate in year 2027
  - Miss the 43% target and pay the \$21,000 per car fine (they are not going to do this)
  - **Limit the amount of inventory they ship to Maryland dealers**

##### Example

- Maryland dealer normally gets 1,000 vehicles a year from their manufacturer
- In 2027 the manufacturers would need to ship 430 EV's to the Maryland dealer
- They do not have the capacity to build that many EV's
- Only option is to reduce the 1,000 vehicles normally shipped to a Maryland dealer to 600 where they in turn meet the 43% mandate
- Reduction in inventory will be catastrophic to Maryland dealers and their employees
- Those 400 vehicles we no longer get will go to our Border States

##### (c) Unintended Consequence

- Maryland residents will go to our border States/Purchase ICE Vehicles/Register them in Maryland

- This will result in lost sales/employees for Maryland dealers
- No additional EV's will be put on Maryland road

(d) Cross Border Sales Issue is not Theoretical

- Some manufacturers are already limiting what types of vehicles Maryland dealers can order
- State of Maryland Climate-report  
Talks about the cross border issue and their concerns about "Sales Leakage"
- Maryland is only Clean Car II State Surrounded by NON-EV Sales Mandate States

V Electric Infrastructure

- Our customers need to be convinced that the Maryland electric infrastructure can support their decision to purchase an EV
- Consumers will not purchase an EV unless they can charge it at home
- 50% of our customers live in multi-family housing or are renters. We need to address how to charge their vehicles
- Maryland charging infrastructure will not be able to support the 43% EV Mandate by 2026

VI Bottom Line on EV Mandates

- (a) Customers NOT the State of Maryland, manufacturers or dealers will determine how quickly EV adoption will occur.
- (b) Maryland dealers have over 80 EV models to sell across all categories – Large SUV's Pick-ups and Crossovers.
- (c) If Maryland does not delay the implementation date of Clean Cars II, there will be a drastic negative impact on Maryland consumers, dealers and dealership employees.

3-10-2025



# Maryland Green Vehicle Report™

Tracking the Maryland BEV and PHEV market

Released January, 2025, covering data thru December 2024

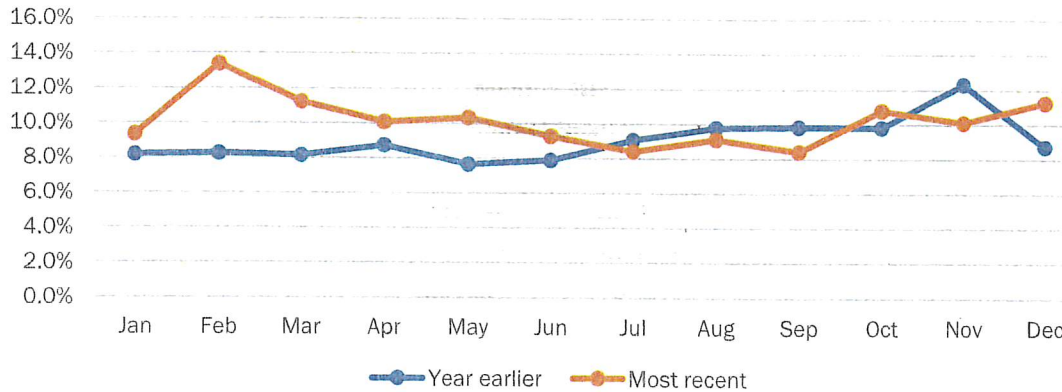
Publication Sponsored By:



## BEV Share of Maryland New Retail Light Vehicle Registrations

Year earlier period (blue line): Jan-23 thru Dec-23

Most recent period (orange line): Jan-24 thru Dec-24



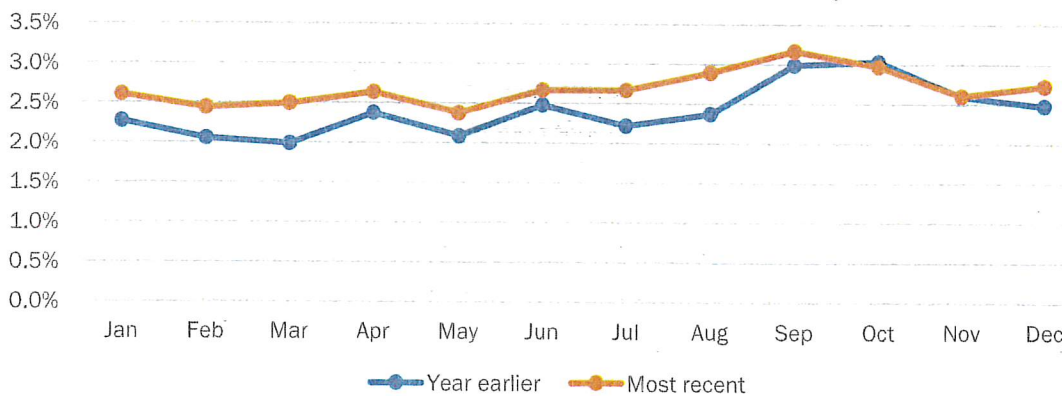
### Monthly BEV Market Share

Dec-24	11.3%
Nov-24	10.1%
Dec-23	8.7%

## PHEV Share of Maryland New Retail Light Vehicle Registrations

Year earlier period (blue line): Jan-23 thru Dec-23

Most recent period (orange line): Jan-24 thru Dec-24



### Monthly PHEV Market Share

Dec-24	2.7%
Nov-24	2.6%
Dec-23	2.5%

The two graphs above show 24 months of history for BEV (battery electric vehicle) and PHEV (plug in hybrid vehicle) market share in Maryland. The most recent 12 months are shown by the orange line, and the year-earlier 12 month period is shown by the blue line. Data sourced from Experian Automotive.

	Monthly			Three Month Period			Rolling 12 Months		
	Nov-24	Dec-24	Change	Jul-24 to Sep-24	Oct-24 to Dec-24	Change	Jan-23 to Dec-23	Jan-24 to Dec-24	Change
Industry registrations	20860	18604	-10.8%	55187	57963	5.0%	223737	223287	-0.2%
BEV registrations	2103	2093	-0.5%	4781	6189	29.4%	20259	22645	11.8%
BEV market share	10.1%	11.3%	1.2	8.7%	10.7%	2.0	9.1%	10.1%	1.0
PHEV registrations	543	507	-6.6%	1613	1600	-0.8%	5408	6004	11.0%
PHEV market share	2.6%	2.7%	0.1	2.9%	2.8%	-0.1	2.4%	2.7%	0.3

Monthly recording of registrations occurs when vehicle title information is processed, which may differ from date of sale. Title recording can occasionally be subject to processing delays by governmental agencies. For this reason, the three month period and year-to-date figures will typically be more reflective of market results Data sourced from Experian Automotive.

## Maryland Green Vehicle Report

Distributed by: Maryland Automobile Dealers Association 7 State Circle, Suite 301, Annapolis, MD 21401-1904 [www.mdauto.org](http://www.mdauto.org)  
 Published by: Auto Outlook, Inc. PO Box 390 Exton, PA 19341. Phone 610-640-1233 Email: [autooutlook@icloud.com](mailto:autooutlook@icloud.com)  
 Copyright: Auto Outlook, Inc. January, 2025

# Maryland Green Vehicle Report <sup>TM</sup>

Tracking the Maryland BEV and PHEV market

Released January, 2025, covering data thru December, 2024

Publication Sponsored By:



Maryland New Battery Electric Vehicle Registrations by Make 2023 and 2024 Annual Totals						
	Registrations			Market Share (%)		
	2023	2024	% Change	2023	2024	Change
TOTAL	20,259	22,645	11.8			
Acura	0	104		0.0	0.5	0.5
Audi	430	233	-45.8	2.1	1.0	-1.1
BMW	971	993	2.3	4.8	4.4	-0.4
Cadillac	137	439	220.4	0.7	1.9	1.2
Chevrolet	835	723	-13.4	4.1	3.2	-0.9
Ford	1,115	1,509	35.3	5.5	6.7	1.2
Genesis	95	127	33.7	0.5	0.6	0.1
GMC	30	198	560.0	0.1	0.9	0.8
Honda	0	498		0.0	2.2	2.2
Hyundai	1,092	1,047	-4.1	5.4	4.6	-0.8
Jaguar	3	9	200.0	0.0	0.0	0.0
Kia	413	779	88.6	2.0	3.4	1.4
Lexus	125	300	140.0	0.6	1.3	0.7
Mercedes	536	375	-30.0	2.6	1.7	-0.9
MINI	99	95	-4.0	0.5	0.4	-0.1
Nissan	256	221	-13.7	1.3	1.0	-0.3
Other	145	241	66.2	0.7	1.1	0.4
Polestar	62	81	30.6	0.3	0.4	0.1
Porsche	126	106	-15.9	0.6	0.5	-0.1
Rivian	544	588	8.1	2.7	2.6	-0.1
Subaru	116	170	46.6	0.6	0.8	0.2
Tesla	12,046	12,633	4.9	59.5	55.8	-3.7
Toyota	198	612	209.1	1.0	2.7	1.7
Volkswagen	670	480	-28.4	3.3	2.1	-1.2
Volvo	215	84	-60.9	1.1	0.4	-0.7

Data sourced from Experian Automotive.